Exhibit 87

UNITED STATES DISTRICT COURT.
SOUTHERN DISTRICT OF NEW YORK

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IN RE BEAR STEARNS COMPANIES, INC.
SECURITIES, DERIVATIVE, AND ERISA
LITIGATION:
This Document Relates To:
Securities Action, 08 Civ. 2793 (RWS)

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BRUCE S. SHERMAN,

Plaintiff,

Index No.

-against- 09 Civ. 8161 (RWS)

BEAR STEARNS COMPANIES INC., JAMES CAYNE,
WARREN SPECTOR and DELOITTE & TOUCHE LLP,
Defendants.

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C O N F I D E N T I A L

Videotaped oral deposition of GEORGE SIMEONE, taken pursuant to notice, was held at the law offices of BOIES SCHILLER & FLEXNER LLP, 575 Lexington Avenue, New York, New York, commencing December 19, 2014, 9:31 a.m., on the above date, before Leslie Fagin, a Court Reporter and Notary Public in the State of New York.

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significant in terms of the total portfolio. I don't recall the level.

Q. When you say, not overly significant, what do you mean?

A. There is nothing, as I said, compared to what we saw in other similar firms that were having similar disclosure, we were not seeing any trend, we were lower, higher. It just seemed similar in size, not something unanticipated, given the market shift.

Q. When you talk about the comparison with other firms, how was that comparison done?

A. First of all, we were the auditors of other clients, Merrill Lynch and Bear Stearns, but the public filings, I read the public filings of the other companies every quarter, looking for what was evolving in their disclosures, particularly, it was the first year of FAS 157, so we were all interested in how it was panning out and were we consistent because it was definitely a new standard, so just reading other 10-Ks and

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10-Qs, reading analyst reports and rating agency reports that were also analyzing the companies.

Q. Anything else you recall?

A. No.

Q. Did you do anything to compare the nature of the securities held by those different firms?

A. It's not possible. We don't have the underlying information.

Q. What about for different firms where Deloitte performed the audits?

A. Not possible, once again, because we don't share across clients, we have a confidentiality, teams are not allowed to share information, other than theoretical discussions.

Q. Were you the concurring audit partner on any firms while you were the lead audit partner for Bear Stearns?

A. I believe I was concurring view partner on other clients, not any of the five or six larger dealers, but more regional firms.

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Q. What regional firms?

A. Charles Schwab, AG Edwards are probably the two big ones. I had a lot of responsibility for other smaller clients that would be more retail oriented.

Q. Just so our record is clear, can you describe what level 2 is under 157?

A. Level 2 would be assets that we have observable inputs to a standard industry model, so the view was that you're using some form of cash flow model. It could be as simple as a bond or mortgaged-backed securities where you have to project things such as prepayment fees and other assumptions, but those assumptions are readily available in the market.

Q. And level 3?

A. Level 3, again, is where you start to have things, more management judgment in selecting the input to the model because it's harder to find the depth of independent data to use in the model, so there is a range usually, and management has to pick within the range, so it's more subjective.

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Q. You talk about a selection of the input for the model.

What about the selection of the model used for level 3?

A. Most of the models, I would say, were fairly standard, they were all cash flow modeling with or option models. Often, you had option models, so you were using fairly standard techniques, whether it is Black-Scholes, binomial model, Monte Carlo simulations, those were the three typical models used, and they were used, I think, readily throughout most of the firms, we own the software that modeled it the same way, so it was more the judgment on the inputs that could be more complicated, things like volatility that may not be observable because the underlying asset is not as actively traded.

Q. What observable input? Let's start with models instead of the inputs. What standard models were used in level 2 for Bear's mortgage-backed securities?

A. Basically, cash flow projections

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and discounting cash flows.

Q. Anything else?

A. There was, obviously, options in mortgages, so they may have used a binomial model or Monte Carlo or Black-Scholes models, as I said earlier.

Q. Anything else?

A. Those would be the standard ones. I'm sure there were some smaller class that might have had something different. I can't speak to all of them, but those were the ones that were for, I would say, the majority of the asset class.

Q. What were the observable inputs that were used for that level 2 mortgage-backed securities?

A. It could vary. I would say the standard thing used in a mortgage-backed valuation would be the current interest rate, prepayment speed assumption, default rate of the underlying mortgages.

Q. Anything else?

A. There are some time decay assumptions. I forget the term used, but

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they are very insignificant. It's just the time value of money. It comes out in the present value calculation, but those were the primary assumptions for a mortgage security. I'm taking a standard mortgage security. So volatility would be an example. When you're in an option, that's the one difference, is volatility is going to be a different assumption. You still need risk-free rates and things like that.

Q. Help me with understanding the time decay input?

A. If, over time, the value will accrete on a bond if all the cash flows are there, so if you have a 30-year mortgage and you are planning to get cash flows for 30 years, your first issue is, is the mortgage going to be outstanding for 30 years, so you have to make some estimate of a typical 30-year mortgage today gets prepaid, maybe in good times, maybe not today, but I think you might find a 30-year mortgage was paid in 17 years, on average, or they get refinanced, which is another way they don't have the cash

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flows for life, so if you invest and you are wanting to hold that long term, you may not receive all the cash flows, the person has the optionality, so what's the time horizon going to be there, so you have an assumption of how long, so it's kind of tied in the prepaid speed assumption, is the way I would describe it.

The time decay is on the options side, so an option will expire, it has a period, if you don't exercise, you're giving up value, the longer the option period, that's the time decay component. Sorry if I wasn't clear on that.

Q. So what you described as prepayment speed assumption would be on a 30-year mortgage, 13 years you used as an example, right?

A. Correct.

Q. Now, for these observable inputs, what current interest rate would be used?

A. You would use a risk-free interest rate, typically tied to an instrument similar to it, so for a 30-year mortgage, you

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typically use a 30-year treasury.

Q. For shorter mortgages?

A. Ten year, seven year, if you got down to an ARM with a one year, you might use a LIBOR one-year rate, so something that is comparable, very visible rate publicly available.

Q. And prepayment speed assumptions, where would those observable inputs come from?

A. You are talking about a company that services more mortgages than anyone, so they see the prepayments. They also obtain other services, all contribute data to pricing vendors that gather the data from a number of the services, so Countrywide, at the time, was a huge servicer, a couple of other big banks would provide data and publicly -- Bloomberg published on the standard mortgages what was the average prepayment speed assumption, so you would be able to get that data pretty readily from historical information available in the market, as well as from their own servicing